

Schools Traded Services Year on Year Review

The council offers in excess of 50 services to schools.

The services are all to an extent under competitive challenge for 4 main reasons:

- 1) If schools convert and join external academy trusts with their own back office support services, they are not able to choose to remain with Bury. Of the 18 schools already converted, or about to convert, 6 have moved to external trusts. Some of the other trusts are seeking to build their own back office support rather than continuing with Council services. This particularly affects the following services: Human Resources, Accounts Payable, Governor Support, Payroll & Pensions, Finance, Asset Management Recruitment & Contracts, Procurement and Insurance. (the council cannot include any academy on its insurance policy)
- 2) Private sector operators are approaching schools to deliver services such as caretaking and catering. They will seek to employ staff not on LA pay and conditions and deliver a less flexible offer to the schools to drive out profit.
- 3) Pressure on general school budgets, this is encouraging schools to look at the non-pay elements of their budgets to drive out savings where possible. Often missing the hidden costs of contract management and unintended consequences of insourcing or re-sourcing contracts.
- 4) DFE are encouraging the use of Crown Commercial Services offering procurement of goods and services on a national scale

The table below sets out a comparison of the number of sites at which service is delivered and the income generated on each service between 2018-19 and 2019-20. The table is restricted to services that deliver over £50k of income.

ESTABLISHMENT	Service applicable to	2019-20	2018-19		2019-20	2018-19
		No.	No.		£	£
Catering Service	All Schools	58	65		3,494,550	2,724,100
Cleaning & Caretaking	All Schools	44	47		2,536,900	2,428,300
Insurance Premium	All Schools excl. academies	62	69		913,290	1,038,190
Human Resources: HR / RCT / Payroll & Pensions	All Schools excl. external academies	67	73		694,170	764,700
Financial Services: School Business Consultancy	All Schools excl. external academies	61	66		315,015	340,076
School Attendance Team	All Schools	37	52		183,325	183,430
Curriculum Language Access Service (new 2018)	High Schools & Academies	8	6		131,783	76,681
Integris G2	Primary Schools	60	64		87,650	83,100
BSIS: Pupil Performance Data (Primary)	Primary Schools	55	57		70,660	73,000
Human Resources: Health and Safety	All Schools	34	73		66,305	100,370
Educational Visits Advisory Service	All Schools	77	78		55,500	54,280
Human Resources: Occupational Health	All Schools	70	74		54,500	61,765

The Catering service has managed to increase its income by improving its relationships with schools and improving its working practices, it still has room for improvement but will deliver in line with budget a £175k surplus for the Council after contributing £80k to central overheads an overall contribution to Council of £255k.

The Caretaking service will deliver a deficit of £150k after £60k contribution to Council overheads therefore the net deficit to council is £90k. This service however will deliver a surplus against budget of £123k. The service is still suffering from the price freeze that was agreed for 18-19 in the light of growing costs. In competitive market conditions it will take another year to 2 years to achieve a break even position.

For Insurance schools are charged premium plus an administrative support charge. The income relating to administration supports the cost of staff employed in the Insurance Section. The Council cannot include academies on its insurance policy. Therefore as soon as a school converts, the SLA ceases.

For HR/RCT/Payroll & Pensions the income from in borough schools only is shown in the summary table. Individual payroll contracts negotiated by the Payroll manager are not included in the total shown. Income supports the cost of staff employed in CYP HR, Payroll & RCT and provides a small surplus to support the costs of providing service to the Children's directorate. This service in particular is focussed on as a target for efficiency gains by converting academies.

The finance function delivers a small surplus which supports the cost of the directorate finance staff. Similar to HR this service is a target when academy trusts are formed.

For the school attendance team the number of schools buying back in 2019-20 has reduced but the monetary value has been maintained. The service previously offered support from half a day per term to 5 days per week. Due to staff shortages the service ceased to offer lower-level options and has re-negotiated with schools to offer more support targeted at the schools where the need is greatest.

Curriculum Language Access Service is funded centrally for maintained primary schools. High schools and academies are subject to buy-back. The Ethnic Minority Achievement (EMA) service works with schools to develop effective provision for minority ethnic and English as an additional language (EAL) learners. Due to the nature of this service, demand varies from school to school and not all schools need the support offered. Income supports the cost of staff employed in the Service.

For Integris G2 the LA purchase a group licence for this software to achieve the best price for schools. The income covers the cost of the licence.

BSIS: Pupil Performance Data for this Approx. 20% funds data resources and 80% supports the cost of staff.

For the Human Resources: Health and Safety Service there has been a significant decline in the level of buy-back in 2019-20. An external provider targeted schools and offered a lower price alternative. The income is used to fund a health and safety consultant. In response the contract for the consultant is under review.

For the Educational Visits Advisory Service the council has a joint service provided by Rochdale Council. The income funds the cost of the contract with Rochdale and the cost of the software used by schools.

For Occupational Health this is provided as an addition to the occupational health service for the Council and its employees. The Income supports the cost of staff employed in the Occupational Health Service across the Council.

